

**Bureau of Electronic and Appliance Repair,
Home Furnishings and Thermal Insulation**

Final Statement of Reasons

Hearing Date: September 19, 2016

Subject Matter of Proposed Regulation: Registration Fees

Sections Affected: Amend Section 2760 of Article 6 of Division 27 of Title 16 of the California Code of Regulation

Updated Information

The Initial Statement of Reasons is included in the file. The Initial Statement of Reasons contains an error under the section entitled "Impact to Delinquency Fees" by stating that the delinquency fee for Combination Service Dealers would increase from \$150.00 to \$187.50. The delinquency fee for Combination Service Dealers registration will remain at \$150.00. In accordance with Business and Professions Code 9873(c), the delinquent fee is equal to 50 percent of the renewal fee, except as otherwise provided in Business and Professions Code Section 163.5 which sets the maximum fee allowed for a delinquent registration at \$150.00.

Another error in the Initial Statement of Reasons in the "Impact to Delinquency Fees" section is a statement noting that the increase to the delinquency fee equates to \$10.00 to \$37.50. The increase to the delinquency fee actually equates to \$10.00 to \$12.50.

The Order of Adoption was amended to include Section 9814.5 of the Business and Professions Code as an authority cited. Section 9814.5 allows for the Director to adopt, amend, or repeal regulations pertaining to service contractors.

The Order of Adoption was also amended to add the word "dollars" to the fee amounts. This change was a minor and grammatical correction.

Local Mandate

A mandate is not imposed on local agencies or school districts.

Small Business Impact

This regulation will not have an adverse economic impact on small businesses. This initial determination is based on the fact that the registration fee will be increased by \$20 to \$50 annually, depending on the registration type. An additional \$10 to \$12.50 delinquent fee may be assessed only when a registrant fails to renew their registration prior to expiration.

This proposal benefits consumer protection as it is designed to enable the Bureau to maintain its registration and oversight operations while also ensuring significant surpluses are not created. This proposal minimizes the economic impact of a fee increase by raising the fee approximately 19 percent, rather than to the statutory ceiling. The proposed fee increase ensures registration revenues match expenditures, thereby protecting the Bureau's Fund from insolvency.

Consideration of Alternatives

No reasonable alternative which was considered or that has otherwise been identified and brought to the attention of the bureau would be more effective in carrying out the purpose for which it was proposed or would be as effective and less burdensome to affected private persons than the adopted regulation or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

The only alternative to this proposal is to keep fees at current levels. However, this would create a significant deficit for the Bureau and would prevent it from fulfilling its consumer protection mandate as the Bureau would no longer be able to perform many of the services mandated by the law. Therefore, this is not a viable option.

Objections or Recommendations/Responses

No comments were made or received regarding the proposed action.

Finding of Necessity

The Bureau hereby finds that this regulatory proposal is necessary for the public health, safety, and welfare of consumers. This proposal ensures sufficient resources are available to maintain current operations which allow the Bureau to meet its mandate of consumer protection. As specified in Business and Professions Code section 19004.1, protection of the public shall be the highest priority for the Bureau when exercising its regulatory function under this chapter. Whenever the protection of the public is inconsistent with other interests sought to be promoted, the protection of the public shall be paramount.